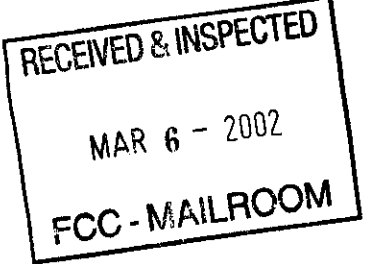




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*Louisiana Public Service Commission*

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March 1, 2002

LAWRENCE C. ST. BLANC  
Secretary

(MRS.) VON M. MEADOR  
Deputy Undersecretary

EVE KAHAO GONZALEZ  
General Counsel

**Mr. William F. Caton**  
Acting Secretary  
Federal Communications Commission  
Office of the Secretary  
445-12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

**Re: *Application of BellSouth Corporation for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the States of Georgia and Louisiana, CC Docket No. 02-35***

Dear Secretary Salas:

Enclosed for filing at CC Docket No. 01-277, on behalf of the Louisiana Public Service Commission ("LPSC"), are an original and nine (9) copies of its Comments of BellSouth's Application to Provide InterLATA service in the State of Louisiana pursuant to 47 U.S.C. § 271 (d)(2)(B). An additional copy is included so that you may date-stamp and return same to me for our files.

The LPSC's Comments recommends that the application of BellSouth Corporation for authorization under Section 271 of the Communications Act to provide in-region, interLATA service in the State of Louisiana be granted.

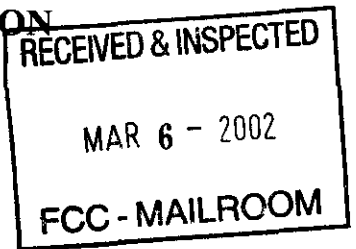
Respectfully,

*Lawrence C. St. Blanc*  
Lawrence C. St. Blanc  
Executive Secretary

*049*  
RECEIVED

xc: Service List LPSC Docket No. U-22252 (E)  
Charles A. James, U.S. Department of Justice, Antitrust Division  
R. Hewitt Pate, U.S. Department of Justice, Antitrust Division  
Susan Pie, Policy and Program Planning Division, Common Carrier Bureau  
Renee R. Crittendon, Policy and Program Planning Division, Common Carrier Bureau  
Leon Bowles, Division of Telecommunications Unit, Ga. Public Service Commission  
Qualex International

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**



**In the Matter of**

**Joint Application by BellSouth Corporation,  
BellSouth Telecommunications, Inc., and  
BellSouth Long Distance, Inc. for Provision  
of In-Region, InterLATA Services in  
Georgia and Louisiana**

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**CC Docket No. 02-35**

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**COMMENTS OF  
THE LOUISIANA PUBLIC SERVICE COMMISSION**

**JACK A. "JAY" BLOSSMAN, JR.  
CHAIRMAN**

**DON L. OWEN  
VICE CHAIRMAN**

**IRMA MUSE DIXON  
COMMISSIONER**

**C. DALE SITTIG  
COMMISSIONER**

**JAMES M. FIELD  
COMMISSIONER**

**MARCH 1, 2002**

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

**In the Matter of**

**Joint Application by BellSouth Corporation,  
BellSouth Telecommunications, Inc., and  
BellSouth Long Distance, Inc. for Provision  
of In-Region, InterLATA Services in  
Georgia and Louisiana**

**CC Docket No. 02-35**

\* \* \* \* \*

**COMMENTS OF THE LOUISIANA PUBLIC SERVICE COMMISSION**

The Louisiana Public Service Commission submits the following comments in support of the application of BellSouth Telecommunications, Inc. ("BellSouth") to provide interLATA service in Louisiana. The Louisiana Commission incorporates by reference and reasserts all of its comments filed in CC Docket No. 01-277, including the Evaluation of the Louisiana Public Service Commission filed October 19, 2001 ("Evaluation") and the Reply Comments of the Louisiana Public Service Commission filed November 13, 2001 ("Reply Comments"). The additional comments provided herein will address the Louisiana Commission's continuing efforts to promote competition in the local service market.

**I. Competition in Louisiana's Local Service Market is Growing.**

By Order No. U-24714-A dated September 21, 2001, the Louisiana Commission established updated cost-based rates for the unbundled network elements ("UNEs") and

combinations of elements that BellSouth is required to offer. *See* Evaluation, pp. 6-8; Exhibit 3. These ordered rates have caused Competitive Local Exchange Companies (“CLECs”) operating in Louisiana to expand their reach into the local market for both business and residential customers. Cox Louisiana Telcom, LLC and Advanced Tel., Inc. (“Eatel”) have announced expansions into the local residential markets. *See* February 8, 2002 Times Picayune Article, attached hereto as Exhibit “A.” These recent events confirm that the UNE rates established by this Commission are appropriate and that the local markets are indeed open to competition.

## **II. The Commission continues its efforts in Docket U-22252-C.**

The Staff of the Louisiana Commission, with the assistance of Acadian Consulting Group, has continued its efforts in Docket U-22252-C to address issues concerning BellSouth’s service quality performance measures and the associated self-executing penalties. In LPSC Order No. U-22252-E, dated September 21, 2001, the Commission directed Staff to develop penalties in Docket No. 22252-C to ensure that fully parsed CSR functionality and the single-C ordering process were implemented on schedule. *See* LPSC Order No. U-22252-E, dated September 21, 2001, attached to the Evaluation as Exhibit 5, pp. 4-5.

Subsequently, the Staff received comments from all interested parties on these issues in Docket U-22252-C and proposed a recommendation that was ultimately adopted by the Commission during its December Business and Executive Meeting. *See* Order No. U-22252-Subdocket C-2, dated February 21, 2002, attached hereto as Exhibit “B.” This order establishes stiff self-executing penalties if the processes are not implemented as scheduled.

In addition, the Staff conducted further technical workshops in Docket No. U-22252-C on January 9-10, 2002. A copy of the agenda published for these workshops, together with the matrix of open issues pending in the workshop is attached as Exhibits "C" and "D," respectively. Further technical workshops are presently scheduled for March 13-14, 2002.

### **III. The Commission Has Held Additional Collaborative Workshops.**

The Louisiana Commission held its seventh CLEC Collaborative Workshop on February 8, 2002 in order to permit CLECs and BellSouth an opportunity to resolve informally any operational issues that continue to exist. Prior to this workshop, parties were invited to submit their issues in writing and provide specific examples where possible to allow BellSouth to investigate. During the February 8<sup>th</sup> workshop, the parties discussed their issues and BellSouth has recently submitted the results of its investigations to the Staff for its review. A copy of the Notice, Agenda and Open Issues Matrix that were used during the February 8<sup>th</sup> Workshop are attached hereto as Exhibits "E","F," and "G" respectively.

### **IV. Other Proceedings Conducted by the Louisiana Commission.**

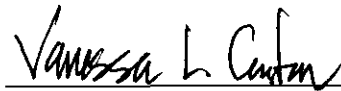
In addition to the above-described proceedings, the Louisiana Commission is also reviewing the SGAT revisions submitted by BellSouth in response to the FCC's August 8, 2001 release of its Fourth Report and Order in CC Docket No. 98-147 (*In the Matter of Deployment of Wireline Services Offering Advanced Telecommunications Capability*). Specifically, BellSouth filed SGAT revisions to permit CLECs to cross connect collocated equipment and to specify the types of equipment that BellSouth would permit to be collocated. The Commission instituted Docket No. U-26011 to permit any

interested party to intervene and participate in this review. This review is being conducted by the Commission's Administrative Hearings Division, which has received comments from all interested parties and presently has the matter under advisement.

**V. Conclusion.**

The Louisiana Public Service Commission remains committed to ensuring that our local telecommunications market is fully open to competition. BellSouth has complied with the orders issued by this Commission to implement the requirements of the Telecommunications Act of 1996, as well as the regulations issued by the FCC there under. For these reasons, the Louisiana Commission respectfully requests that the FCC grant BellSouth's application to provide interLATA service in Louisiana.

Respectfully submitted,  
**LPSC LEGAL DIVISION**



**Vanessa L. Caston, Esq. (BRN 22296)**

**Brandon M. Frey, Esq. (BRN 25054)**

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# Local phone users get 3 choices

*Cox and Eatel break BellSouth's monopoly on home service in metro area*

By Keith Darcé  
Business writer

Nearly six years after federal regulators voted to break the hold of local telephone monopolies, people in the New Orleans area finally are getting a choice among local phone service providers.

Cox Communications, the local cable television service provider, and Eatel Corp., a small independent rural phone company based in Gonzales, have launched local residential phone services to compete against each other and BellSouth Corp., which has held a

firm grip on the local phone market for decades.

People who switch their phone service to one of the competitors could see portions of their phone bill fall as much as 20 percent. Customers will have the choice of keeping their number or getting a new one assigned by their new service provider.

The new services make metropolitan New Orleans an unusual player in the nation's intensifying phone wars. Although

See PHONES, C-6

## PHONE WARS

Cox and Eatel are offering competitive monthly rates in an attempt to win residential phone customers from BellSouth in the New Orleans area. In addition to basic service, all three companies offer a la carte pricing for special services, as shown below, as well as deals that bundle special services at lower package prices.

Service	BellSouth Corp.	Cox Communications	Eatel
Basic dial tone	\$12.55	\$11.97	\$10.11
Call waiting	\$5.50	\$4.55	\$4.40
Caller I.D.	\$7.95	\$7.95	\$6.85
Voice mail	\$5.50	\$4.95	\$4.44
3-way calling	\$4.00	\$4.00	\$3.00

\*Cox adds TV or high-speed Internet service to get this rate. BellSouth and Eatel offer similar bundles.  
Source: BellSouth Corp., Cox Communications and Eatel



EXHIBIT

LPSC "A"

Bernard parishes. Phone service will be extended to Jefferson Parish by mid-summer and to Orleans by the end of the year, Cox spokesman Steve Sawyer said. Cox does not operate on the north shore.

Meanwhile, Eatal this week launched an aggressive marketing campaign that includes several 15-second television advertisements playing on the company's slogan, "Switch and save." The service is available throughout the metropolitan region, including the north shore, and in Baton Rouge, Hammond, Houma, Lafayette and Thibodaux.

Unlike Cox, which is offering its service over an independent telecommunications network, Eatal is reselling services it buys from BellSouth at a discounted wholesale rate and repackages under its own name.

Cox and Eatal have been offering local phone service to business customers throughout the region for several years. Neither will charge residential customers a connection fee.

The most immediate effect of competition is lower prices. Both Cox and Eatal are offering basic services priced lower than BellSouth. Cox is offering dial-tone service for \$11.37 per month to its cable and Internet customers and for \$12.64 to everyone else. Eatal is offering basic service for \$10.11 per month. In comparison, BellSouth charges \$12.64 per month for basic service.

Monthly rates for call waiting, a popular add-on service, are \$5.50 from BellSouth, \$4.65 from Cox and \$4.40 from Eatal.

Further savings are available for second phone lines and from package plans that combine basic dial-tone service with various options.

Cox and Eatal also offer long-distance service. Federal rules bar BellSouth from offering long-distance service to its local phone customers in Louisiana. All three companies offer high-speed Internet service.

The lower rates from competitors only apply to a portion of a person's phone bill, which includes numerous other fees and taxes levied by state and federal governments. Those additional charges, which are charged to all phone customers, can amount to as much as half of a person's monthly local phone bill.

Because Eatal is reselling BellSouth services over BellSouth's network, the competitor's service doesn't require equipment modifications, making a switch to Eatal similar to changing long-distance phone carriers.

But those who choose Cox will see a difference in the way phone service is delivered to their homes. After the local phone service is ordered, a Cox technician will install a small gray box on the outside of the home. The box is similar to the one placed on the homes of BellSouth customers. The box connects the home's internal phone jacks to the same Cox coaxial cable that carries television and high-speed Internet signals. There is no charge for the box, and no other equipment is needed to receive the phone service.

The competitors offer their own directory assistance services, and they both provide access to local 911 emergency calling systems.

"It's such a seamless process that customers will never know that they've changed over," Sawyer said.

Initially, Cox customers will

be billed separately for phone service, but those charges eventually will be merged with charges for cable television, high-speed Internet service in a single monthly invoice, Sawyer said.

Cox already offers residential phone service in Orange County, Calif.; San Diego; Omaha, N. Oklahoma City, Okla.; Phoenix and Tucson, Ariz.; Rhode Island and Connecticut. The company had 398,813 residential phone customers in September, nearly double the number it had a year earlier.

Cox planned to launch residential phone service in New Orleans by the end of 2000, those plans were postponed until the company completes time-consuming and costly upgrades of its local cable network and expanded its high-speed cable modem Internet service, which offers a higher profit margin than residential phone service.

The door opened for Eatal in September when the state Public Service Commission ordered BellSouth to lower the wholesale rates it charges competitors who resell its services.

Under the old rates, resellers such as Eatal were unable to charge competitive rates because the billing and market costs associated with the service made it impossible to generate enough profit to justify the business, Eatal President I. Ahern said.

"Now we can sell residential service at a profit and still offer rates well below BellSouth," he said.

The new residential service is expected to add more than 10,000 customers and \$2 million in revenue to the company this year, Ahern said.

Competition already has

business phone customers here and in many other cities have enjoyed the benefits of competition for several years, residential phone competition has emerged in only a handful of places. In most of those cases, competition is limited to two players: the entrenched local Baby Bells, those companies formed with the breakup of the Bell System of AT&T, and a major cable television company such as Cox and AT&T Broadband.

"Consider yourselves fortunate," said Mark Phigier, president of Americans for Competitive Telecommunications, a grass-roots consumer advocacy group in Walnut Creek, Calif. "Most places are lucky to have one competitor."

Although the federal Telecommunications Act of 1996 broke down the regulatory barriers dividing the cable and telephone industries and ordered the Baby Bells to open their networks to competitors, competition has been slow to evolve among residential customers, who generate thinner profit margins than business phone customers.

Since December, Cox has launched residential phone service over its cable television network in St. Charles and St.

2



BellSouth where it hurts most. Net profit for the Atlanta-based company fell 29 percent in the quarter ending Dec. 30, largely because of a 1.9 percent decline in phone line customers from the same period a year earlier. For the first time in BellSouth's history, the company ended the year with an overall decline in access lines.

Customers are leaving BellSouth for competitors, and some are cutting their home phone lines in favor of using wireless phones or cable modems, the company said.

The losses have prompted a series of cutbacks and layoffs, including a decision this week to close six of the company's nine customer call centers in Louisiana.

Still, local BellSouth spokes-

man Merlin Villar Jr. said the company isn't troubled by the new competition for its 500,000 residential customers in the New Orleans area.

"We welcome Cox and all other competitors to the telecommunications marketplace," he said.

\*\*\*\*\*

Keith Darcé can be reached at kdarc@timespicayune.com or (504) 825-3491.

3

**BEFORE THE**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**ORDER U-22252- Subdocket C-2**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**EX PARTE**

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Docket No. U-22252, Subdocket C - In re: BellSouth Telecommunications, Inc. Service Quality Performance Measurements. **Re: Penalties Related to Fully Parsed CSRs and Measurement and Penalties Related to Disconnects Resulting from "N" and "D" Order Process**

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(Decided at Business and Executive Session held **December 5, 2001**)

**BACKGROUND**

At the September 19, 2001 Business and Executive Session, the Louisiana Public Service Commission ("LPSC" or "the Commission") issued Order Number U-22252 (E) approving Staff's Final Recommendation with respect to BellSouth Telecommunications, Inc.'s ("BellSouth" or "BST") request for approval of its compliance with the Telecommunications Act of 1996, Section 271 14-item checklist, as well as approval of its Statement of Generally Available Terms and Conditions ("SGAT").

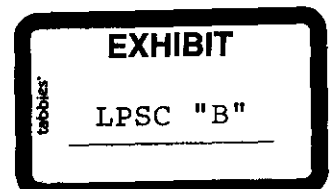
In its Final Recommendation, Staff recommended that the Commission establish a penalty to incent BellSouth to implement fully parsed Customer Service Record (CSR) data functionality.

"It is Staff's understanding that fully parsed CSR functionality is pending in BellSouth's Change Control Process and is scheduled to be implemented by January, 2002. Staff recommends that the Commission ensure that such implementation takes place on January 31, 2002 by instructing Staff to develop in Docket No. U-22252-C a recommended monetary penalty to ensure that the implementation of fully parsed CSR data functionality occurs as scheduled. Such penalties should take effect only after BellSouth has obtained FCC approval to offer interLATA service in Louisiana. Such a penalty should ensure that BellSouth implements this functionality even after receiving interLATA relief. (Staff Final Recommendation, Docket U-22252 (E), p. 47.)

Staff also addressed the issue of premature disconnects arising from BellSouth's practice of utilizing two orders to move an end user from BellSouth to a Competitive Local Exchange Carrier ("CLEC").

Further, Staff recommends that the Commission order BellSouth to implement the C-order process no later than April 1, 2002. Further Staff recommends establishing a measurement to track any premature disconnects occurring due to the 2-order process. Such measurement

*Order No. U-22252-C-2*  
*Page 1*



should carry a Tier-1 and Tier-2 penalty to be instituted upon the FCC's approval of BellSouth's petition to provide interLATA service in Louisiana. Staff will address these issues during the six-month review to be held in Docket No. U-22252-C. (Staff Final Recommendation, Docket U-22252 (E), p. 74.)

The Commission adopted these recommendations, with no modifications, in its Order No. U-22252 (E).

The first workshop conducted by Staff as part of the six-month review in Docket U-22252-C was held October 24, 2001. At that time, the parties agreed to a procedural schedule that would permit the Commission to consider the CSR and premature disconnect issues during the December Business and Executive Session. The schedule provided that initial comments were to be filed by November 2, 2001, and reply comments by November 7, 2001. Comments were filed by BellSouth, Access Integrated Networks, Inc. ("Access"), Xspedius Corporation ("Xspedius"), and AT&T Communications of the South Central States, Inc. ("AT&T"). Reply comments were filed by BellSouth, Access, Xspedius, and KMC Telecom, Inc. ("KMC").

Staff has considered all parties' comments and reply comments in reaching its recommendations.

**Issue 1: What is the appropriate penalty to be assessed BellSouth for failure to implement fully parsed CSR functionality by January 31, 2002?**

**Parties' Basic Positions**

**BST Position:** CSR functionality must be implemented on a regional basis. The Georgia Commission has imposed a penalty of \$10,000 per day for each day past January 5, 2002 that BST fails to provide fully parsed CSR functionality in Georgia. The Georgia penalty is sufficient, and the LPSC needn't impose a penalty in Louisiana. If the LPSC does impose a penalty it should be less than the \$10,000 per day imposed in Georgia.

**AT&T Position:** The penalty should be \$70,000 per day for each day beyond January 31, 2002 that BellSouth has not implemented fully parsed CSR functionality. In addition, the penalty should be doubled if the system is not fully functional at the time it is implemented.

**Access Position:** A penalty of \$10,000 should be payable to each CLEC for each order submitted where BellSouth has failed to implement the fully parsed CSR functionality by January 31, 2002.

**Xspedius Position:** Same as Access.

**KMC Position:** a) The Commission should adopt a penalty much greater than \$10,000 per day for each day past the January 31, 2002 deadline that BST fails to implement fully parsed CSR functionality. b) If the Commission adopts a penalty of only \$10,000 per day it should also establish an initial penalty of \$250,000, payable on February 1, 2002, and then assess a penalty of \$10,000 for each day thereafter.

**Staff Analysis and Recommendation**

BST and the CLECs exchange data through the pre-ordering and ordering processes using a number of electronic interfaces. In Docket No. U-22252 (E) both AT&T and MCI stated that some of the pre-ordering information received from BST databases was not completely "parsed." That is, it is not divided into data fields that can be imported into other databases without the need in some instances of additional manipulation. The Commission accepted January 31, 2002 as the deadline for implementation of fully parsed CSR functionality in Louisiana, by approval of Staff's recommendations concerning Local Competition contained in its Final Recommendation in Docket No. U-22252 (E).

BellSouth states in its Comments that the Georgia Commission has set a deadline in that state of January 5, 2002 for implementation of fully parsed CSR functionality. The Georgia Commission has also imposed a fine of \$10,000 for each day that BST fails to meet that deadline. BellSouth states that parsed CSR functionality has to be implemented on a regional basis. Therefore, if BST misses the January 31<sup>st</sup> deadline in Louisiana, it has also necessarily missed the January 5<sup>th</sup> deadline in Georgia, and has already been assessed a \$10,000 penalty for each day after January 5<sup>th</sup>. BellSouth argues that a \$10,000 daily penalty is sufficient to ensure the company's compliance with both Georgia and Louisiana Commission directives and that no additional penalty need be assessed by the LPSC. If the Commission does decide to impose a penalty, however, BST believes it should be much lower than that imposed in Georgia.

AT&T states that it and other CLECs first requested parsed CSR data September 1998, and presents a detailed timeline of the history of BellSouth's response to this request. AT&T argues that because BellSouth failed to meet earlier implementation target dates, if a penalty is to motivate BellSouth to meet the January 31<sup>st</sup> deadline, the penalty must be significant. AT&T proposes a penalty of \$70,000 per day for each day beyond January 31, 2002 that the fully parsed CSRs are not implemented. In addition, AT&T recommends that if the parsed CSR system is not fully functional when BellSouth implements it, the daily penalty should be doubled until such time that the system is fully operational. AT&T does not specify whether these penalties are to be paid to the Commission or to be allocated among the CLECs in some manner.

Access and Xspedius both propose a penalty of \$10,000 per order submitted by a CLEC where BellSouth has not implemented fully parsed CSR data as of January 31, 2002. Access and Xspedius argue that the penalty for failure to implement the CSR

system on time should be administered as a Self Executing Enforcement Mechanism (SEEM) Tier-1 penalty.

Access and Xspedius provide examples of other fines imposed by the Commission to support their position that their proposed penalty is not too large. For example, they state that the Commission assesses a fine of \$5,000 for the first failure to file an annual report, with fines up to \$50,000 for subsequent failures. Telecom companies can also be fined up to \$5,000 for failure to comply with Customer Service Regulations, and up to \$10,000 per occurrence for failure to comply with the Commission's Pole Attachments Order.

In its Reply Comments BellSouth contends that AT&T's proposed \$70,000 penalty is too high. BellSouth argues that if it has missed the Louisiana deadline it will have also missed the Georgia deadline and will already be paying \$10,000 per day to Georgia. BellSouth believes that any additional fine paid to Louisiana should be less than the \$10,000 paid to Georgia, not more. In addition, BellSouth takes exception to AT&T's proposal to double the penalty if the CSR system implemented is not fully functional on January 31<sup>st</sup>. BellSouth argues that the penalty should cease when the fully parsed CSR system is implemented, and that whether it is "fully functional" at implementation, and any relevant penalties can be resolved at a future time.

BellSouth also claimed that Access and Xspedius were "wrong" in treating the penalty for failure to implement the CSR functionality by January 31 as a SEEM Tier-1 payment. BST states that the Commission did not order the development of a SEEM payment for the CSR implementation issue, and that this penalty is outside the SEEM. At the same time, BellSouth found the \$10,000 per order penalty proposed by both Access and Xspedius excessive.

Access and Xspedius replied that BellSouth's proposal to forego a penalty in Louisiana because there was one imposed in Georgia would be a violation of the Commission's order. They also point out that the failure of BellSouth to meet the Georgia deadline of January 5, 2002 would show that the \$10,000 per day Georgia penalty was not sufficient to motivate BellSouth to comply with the Georgia Commission's order. In such a case, a larger penalty would be in order to ensure compliance in Louisiana, not the elimination of the penalty.

KMC filed Reply Comments to BellSouth in which it agreed with Access and Xspedius that if the \$10,000 a day Georgia penalty fails to motivate BellSouth to

implement its CSR system on schedule, a larger, not a smaller penalty, should be assessed in Louisiana. KMC proposes that the Commission adopt one of two penalty plans. Either it should impose a penalty that is "much greater" than \$10,000 per day, or, it should penalize BellSouth with both an initial penalty and an ongoing penalty. The initial penalty would be equal to \$10,000 per day for each of the 25 days from the Georgia deadline of January 5 to the Louisiana January 31 deadline, or \$250,000. In addition, for each day beyond the January 31, 2002 deadline the Commission should impose a penalty of \$10,000. These penalties would be paid to the CLECs, allocated among them based upon their relative levels of activity in Louisiana.

Staff agrees with Access, Xspedius, AT&T and KMC that the Commission should impose a penalty upon BellSouth if it fails to implement fully parsed CSR functionality by January 31, 2002, and that this penalty should be greater than that imposed by the Commission in Georgia. As the CLECs argue, if a month of fines at the \$10,000 per day level has not motivated BellSouth to implement its CSR system by January 31, 2002, the Louisiana deadline, then stronger remedies are needed. Staff recommends that the Commission impose a penalty of \$20,000 per day for each day beyond January 31, 2002 that BellSouth fails to implement its CSR system. The penalty should be allocated and paid to the CLECs based upon their relative number of orders submitted during the period the penalty is assessed. Staff recommends that the remedies be paid to the CLECs because they are the ones harmed by BellSouth's failure to implement fully parsed CSRs.

As for AT&T's concern that a penalty be imposed following implementation of the CSR system should it not be fully functional, Staff recommends that this issue be addressed in upcoming workshops in this Docket.

**Issue 2: What is the appropriate measurement to track the number of premature disconnects resulting from BellSouth's use of a 2-order ("N" and "D") process for UNE-Ps, and should Tier-1 and Tier-2 remedies be assessed to this measure after BellSouth is granted 271 approval by the Federal Communications Commission ("FCC")?**

**Parties' Basic Positions**

**BST Position:** A measure "Premature Disconnects – Loop Port Combos" should be added to the SQM with a benchmark of no more than 1% of total loop port combo orders. Remedies should be assessed on the number of orders above the benchmark and should match those of Measure P-6 Coordinated Customer Conversions for UNEs.

**AT&T Position:** BellSouth should pay a penalty of \$70,000 per day for each day the measure is not in place and data is not collected. BellSouth should also pay a penalty of \$70,000 per day for each day beyond the April 1, 2002 deadline that it has not implemented the single "C" ordering process. The penalty should be doubled for each day that the single ordering system BellSouth puts in place does not operate properly.

Access Position: BellSouth should pay a penalty of \$10,000 for each order that results in a premature disconnect resulting from the two-order process used for UNE-P and other conversions.

Xspedius Position: Same as Access

KMC Position: a) The Commission should adopt a penalty much greater than \$10,000 per day for each day past the April 1, 2002 deadline that BST fails to implement a C-order process b) If the Commission adopts a penalty of only \$10,000 per day it should also establish an initial penalty of \$850,000 and also assess the \$10,000 penalty for each day beyond April 1, 2002 that the C-order process has not been implemented.

**Staff Analysis and Recommendation**

BellSouth is the only party to have responded to the first part of this directive and proposed a method to measure the premature disconnects resulting from the "N" and "D" order process. It proposes a new measure "Premature Disconnects – Loop Port Combos" that would be added to the SQM with a benchmark of no more than 1% of total loop port combo orders be prematurely disconnected. BellSouth proposes that remedies on this new measure be assessed on the number of orders above the benchmark. The remedies would match the Tier-1 and Tier-2 remedies adopted by the Commission upon Staff's recommendation for UNE Provisioning (Coordinated Customer Conversion). The Tier-1 remedies range from \$400 per item the first month to \$800 the sixth month. The Tier-2 remedies are \$875 per item.

BellSouth notes that if the FCC does not approve its petition to provide interLATA service, then the remedies for the metric should not be implemented. In addition, BellSouth notes that the measure and penalties apply to disconnects resulting from the 2-order process. Once the single "C" order process is implemented, this measure and its remedies should be removed from the SQM.

AT&T proposes that a \$70,000 penalty be imposed for each day subsequent to January 31, 2002, that BellSouth fails to implement a measure to track premature disconnects. AT&T does not, however, provide details of how it believes such a measure should be structured, or the remedies that should attach to such a measure. AT&T does propose that BellSouth be assessed a penalty of \$70,000 per day for each day beyond April 1, 2002 that it has not implemented the single "C" order process. AT&T also proposes that this penalty be doubled for each day that the single "C" order system does not operate properly.

Access and Xspedius both propose a penalty of \$10,000 for each order that is prematurely disconnected because of the two-step order process. Both CLECs compare

the \$10,000 penalty to other fines and penalties assessed by the Commission to show that it is not excessive.

KMC proposes that the Commission either adopt a penalty "much larger" than \$10,000 per order, or that it implement a two phase penalty plan. For the two phase plan, KMC notes that in Georgia there is a deadline of January 5, 2002 for implementation of a single "C" order process. Should BellSouth fail to meet the Louisiana deadline of April 1, 2002, KMC proposes that an initial remedy equal to \$10,000 per day, multiplied times the 85 days between the Georgia deadline and the Louisiana deadline, should be imposed. In addition, an ongoing penalty of \$10,000 per day should be assessed for each day beyond April 1, 2002 that BellSouth does not implement the ordering process change.

In its Reply Comments, BellSouth states that the Commission did not order that a penalty be established if the process is not in place on time, as AT&T believes. BellSouth does not believe that AT&T's penalty assessed on a "per day" basis is compatible with the Commission's directive to determine Tier-1 and Tier-2 penalties for the premature disconnect measure, and thus can be discarded. BellSouth also rejects AT&T's proposal for double penalties should the "C" order system not function fully at implementation. BellSouth believes this is an operational issue that should be addressed after the C-order process is in place.

BellSouth also rejects the penalty proposed by Access and Xspedius as excessive and "out of proportion" with the other penalties approved by the Commission in Docket U-22252-Subdocket C. BellSouth argues that the penalty for Premature Disconnects should be consistent with other Tier-1 and Tier-2 remedies.

In their Reply Comments, Access and Xspedius both argue that the magnitude of any penalties resulting from \$10,000 per order remedy provision will be a direct function of the magnitude of BellSouth's failure to comply with the Commission's order. Therefore, BellSouth can control the size of the penalty by its own actions, and arguments that \$10,000 per order is excessive should be discarded.

Staff recommends that the Commission approve BellSouth's proposed "Premature Disconnects – Loop Port Combo" measurement, with a benchmark of less than or equal to 1% of all orders should be disconnected prematurely, and remedies equal to the Tier-1 and Tier-2 remedies adopted for UNE Provisioning Coordinated Customer Conversion. BellSouth was the only party to propose a measure to be added to SQM; no other party described an actual measurement, but only remedies to be assessed. Staff agrees with



BellSouth that the remedies assigned to the measurement should be consistent with other Tier-1 and Tier-2 remedies and believes that BellSouth's choice of the UNE Provisioning remedies is a reasonable one. These remedies should be paid following the approval of by FCC of BellSouth's 271 Application in Louisiana. Attachment A to this recommendation sets forth the measurement for premature disconnects and the associated remedies.

Staff also recommends that AT&T address the issue of penalties to be imposed should the "C" order system fail to function properly in the workshops still to be held as part of the six month review in this docket.

Finally, Staff recommends that BellSouth file with the Commission a sworn affidavit on February 1, 2002 addressing whether or not it has implemented fully parsed CSRs and if the change has not been completed BellSouth shall provide the Commission with an action plan for completing the change. If this change has not been implemented, BellSouth should file on the 15<sup>th</sup> day of each month following February 1, 2002 a sworn affidavit setting forth the amount of remedies it has paid to the CLECs and the status of implementation of fully parsed CSRs. Once BellSouth has implemented this change, it shall also file an affidavit with the Commission notifying the Commission that it has completely implemented fully parsed CSRs. In addition, BellSouth shall file with the Commission on April 2, 2002 a sworn affidavit addressing the status of implementing a one-step "C" order process and if the process has not been implemented, BellSouth shall provide the Commission with an action plan for completing this process. If this change has not been implemented, BellSouth should file on the 15<sup>th</sup> day of each month following April 2, 2002 a sworn affidavit setting forth the status of implementation of the "C" order process. Once BellSouth implements the "C" order process, it shall also file an affidavit with the Commission notifying the Commission that it has implemented this process. Remedies paid after BellSouth has been granted 271 Approval by the FCC should be reported with BellSouth's standard reporting process for payment of Tier I and Tier II remedies. Remedies for this measure will cease with implementation of the C-order process.

This matter was considered at the Commission's December 5, 2001 Business and Executive Session. On Motion of Commissioner Dixon, seconded by Commissioner Field and unanimously adopted, the Commission voted to adopt Staff's Recommendation.

**IT IS THEREFORE ORDERED THAT:**

1. A penalty of \$20,000 per day be imposed for each day beyond January 31, 2002 that BellSouth fails to implement its CSR system. BellSouth shall file a sworn affidavit with the Commission on February 1, 2002 addressing whether it has implemented fully parsed CSRs.
2. The issue of whether a penalty should be implemented if the system is not functional will be addressed at further workshops.
3. BellSouth's proposed "Premature Disconnects- Loop Port Combos" measure, as attached hereto as "Appendix A" be adopted.
4. That Staff's recommendations concerning the one-step "C" Order process are adopted.

**BY ORDER OF THE COMMISSION  
BATON ROUGE, LOUISIANA  
February 21, 2002**

/s/ JAMES M. FIELD

DISTRICT II

CHAIRMAN JAMES M. FIELD

/s/ JACK "JAY" A. BLOSSMAN

DISTRICT I

VICE CHAIRMAN JACK "JAY" A. BLOSSMAN

/s/ DON OWEN

DISTRICT V

COMMISSIONER DON OWEN

/s/ IRMA MUSE DIXON

DISTRICT III

COMMISSIONER IRMA MUSE DIXON

  
SECRETARY  
LAWRENCE C. ST. BLANC

/s/ C. DALE SITTIG

DISTRICT IV

COMMISSIONER C. DALE SITTIG

## Premature Disconnects – Loop Port Combos

### Definition

This report measures the percentage of premature disconnects of UNE-P conversions associated with the two order process. This is an interim measurement and an interim penalty; both the measurement and the penalty will be deleted after BellSouth has implemented the C- Order process.

### Exclusions

- UNE-P conversions resulting from the C-Order process.
- Troubles or disconnects that are not related to the two order process.

### Business Rules

This metric is designed to measure the percent of premature disconnects associated with the two order process.

### Calculation

Percent of premature disconnects =  $(a + b) \times 100$

- a = Total number of premature disconnects which occur between the due date and 3 days prior to the due date.
- b = Total Number of UNE-P conversions utilizing the two order process during the period.

### Report Structure

- CLEC Specific
- CLEC Aggregate

### Data Retained

- Report Month
- CLEC Order Number (so\_nbr)
- PON
- Order Submission Date (TICKET\_ID)
- Order Submission Time (TICKET\_ID)
- Status Type
- Status Notice Date
- Standard Order Activity
- Geographic Scope
- Total Scheduled UNE-P orders

### SQM Disaggregation – Analog/Benchmark

SQM Level of Disaggregation	SQM Analog/Benchmark:
• Loop Port Combos	• No more than 1% premature disconnects

Penalty Measure – following 271 FCC approval			
Yes	Tier I	Month 1:	\$400
		Month 2:	\$450
		Month 3:	\$500
		Month 4:	\$550
		Month 5:	\$650
		Month 6:	\$800
	Tier II		\$875

### Penalty Disaggregation – Analog/Benchmark

Disaggregation	Analog/Benchmark
• Loop Port Combos	• No more than 1% premature disconnects

**BEFORE THE  
LOUISIANA PUBLIC SERVICE COMMISSION**

**LOUISIANA PUBLIC SERVICE COMMISSION,  
EX PARTE**

**DOCKET NO. U-22252-C**

**IN RE: BELL SOUTH TELECOMMUNICATIONS,  
INC., SERVICE QUALITY PERFORMANCE  
MEASUREMENTS-SIX MONTH REVIEW.**

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**NOTICE**

The following is the second procedural schedule in the above referenced docket. This docket is being continued to evaluate BellSouth's performance measures, statistics, and remedy plan as set forth in the Staff Recommendation and adopted by the Commission in its General Order of May 14, 2001. On July 31, 2001, the Commission amended this decision indicating that: "Six months following the effective date of this Order (May 14, 2001), Staff shall review the performance measures, the delta, psi, and epsilon values and the remedy plan adopted pursuant to Staff's Recommendation. CLECs shall be allowed to participate in this review.

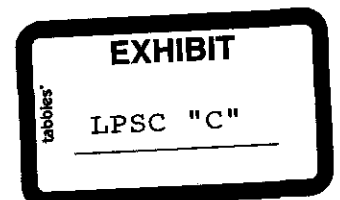
At the October 24, 2001 workshops the parties agreed to a procedural schedule and action items that were to be filed with the commission. The action items and procedural schedule are set forth in Attachment A to this notice.

A technical workshop to address the BellSouth items set forth below will be held January 9, 10, and 11, 2001. Workshops will begin at 9:30 a.m. each day.

- 1) BellSouth's SQM Compliance Filing
- 2) BellSouth SEEMs Compliance Filing
- 3) BellSouth's Action Items and Comments Filed
- 4) Audit Master Test Plan and Comments Filed
- 5) Remedy Report Filings
- 6) Action Plan for 271 Issues

The scope of this rulemaking proceeding is limited to those issues as addressed above. At the Workshops, the discussions will not be recorded. Experts will discuss each matter thoroughly. Each party is urged to be prepared to discuss all claims made by the party or to refute those claims made by the opposition.

Any documents, testimony or comments filed pursuant to the above referenced procedural schedule shall be filed no later than 4:30 P.M. the day of the deadline. **ONE COPY** of all



documents, testimony or comments shall be filed with the Commission at the following address:

Louisiana Public Service Commission  
Docketing Section  
Post Office Box 91154  
Baton Rouge, Louisiana 70821-9154

Staff should be served as part of the service list. Please continue to serve Staff and the parties by both e-mail and U.S. Mail.

**BY ORDER OF THE COMMISSION**  
**BATON ROUGE, LOUISIANA**  
**December 28, 2001**

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**BRANDON FREY**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**STAFF ATTORNEY**